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5 UNITED STATES BANKRUPTCY COURT
6 NORTHERN DISTRICT OF CALIFORNIA

7 IN RE: CASE No. 17-10828 WJL

8 FLOYD E. SQUIRES, III and CHAPTER 11
9 BETTY J. SQUIRES,

10 Debtors. / DECLARATION OF DAVID N. CHANDLER
IN SUPPORT OF EX PARTE MOTION FOR
ORDER EXTENDING TIME FOR FILING
11 REVISED CASH COLLATERAL BUDGET

12 I, David N. Chandler, hereby declare:

13 1. That if called as a witness, I can competently testify to
14 the within matters from my own knowledge.

15 2. On December 8, 2017, the Court authorized interim use of
16 cash collateral on specific terms. The Court also directed meet
17 and confer on the budget to be proposed between counsel for Adams,
18 the OUST and Debtors and, further that the revised budget be filed
19 by December 14, 2017 and further hearing on December 21, 2017 in
20 Santa Rosa.

21 3. I forwarded revised budgets to counsel for Adams and to
22 OUST. A conference was held by telephone on December 13, 2017
23 between Jared Day, Larry Kluck and David N. Chandler. Floyd
24 Squires participated in the conference call.

25 4. Specific Budget line items were discussed as well as pre-
26 petition defaults to secured creditors as alleged by Mr. Kluck on
27 December 8, 2017. Some misinformation existed which was clarified

1 and discussed.

2 5. Budgetary considerations were discussed and agreed upon
3 such as regular payments on the mortgages, utilities, insurance,
4 maintenance, and repairs. Some budget categories Mr. Kluck would
5 not, or could not, specifically agree, but stated that he would not
6 object if same were included. Rather than address administrative
7 costs as line items, for example, what was discussed and not
8 subject to objection was a fixed percentage of the rents collected
9 be expended for administrative expenses, an owner's draw, and
10 monthly payment to Adams.

11 6. Mr. Squires during the call agreed to promptly revise the
12 budget consistent with the items discussed and agreed upon and to
13 include the items to which Mr. Kluck *would not object*. Mr. Day
14 concurred that the agreed line items and those tacitly acknowledged
15 would be acceptable, although the OUST had not opposed use of cash
16 collateral.

17 7. Mr. Squires was required to travel to Stanford Hospital
18 for medical tests not available in Eureka on December 13, 2017 and
19 was unavailable to me for the entire day of December 14, 2017. I
20 did not learn of Mr. Squires unavailability until mid afternoon,
21 December 14, 2017 as he had communicated with my office late on
22 December 13th.

23 8. It is not known when Mr. Squires will be available to
24 finalize revisions to the budget, however, I am confident that by
25 Monday, December 18, 2017, the revised budget containing the agreed
26 and tacitly agreed terms can be filed and disseminated. It is
27 possible that Mr. Squires will be available on December 15th to

1 assist me, but I was not able to speak with Mr. Squires directly on
2 December 14th. As soon as the budget is prepared and reviewed, I
3 will file the revised budget and get it to counsel.

4 Executed under penalty of perjury this 14th day of December,
5 2017 at Santa Rosa, California.

6 /s/David N. Chandler

7 David N. Chandler
8 Attorney for Debtors
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